

## Questar wants to charge even less

If approved, the 10% rate cut would be the company's fourth since February

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Questar Gas Co. wants to lower its natural gas rates by another 10.5 percent this year - a request that if approved by state regulators will save the typical homeowner \$10 a month on the heating bill.

The utility is asking that the \$104 million rate cut go into effect beginning Nov. 1. It would be the fourth drop in price for consumers since February.

"Natural gas prices have been falling so we're expecting that it will cost us a lot less this coming winter to buy the gas we need to supply our customers," Questar Gas spokesman Chad Jones said.

The requested decrease is included in what is known as a "pass-through" rate adjustment, which involves Questar Gas periodically requesting permission from state regulators to realign the amount of money it collects from its customers to cover the cost of buying natural gas on the wholesale market.

Questar Gas doesn't make any money on the natural gas it buys on the wholesale market. Those gas costs are passed through to customers without any markup. Yet when prices go up, the company needs to collect more money from its customers to cover its cost of buying the fuel. When the price goes down, the state requires them to lower those charges.

Lower natural gas prices previously prompted the company to reduce the amount it charges: \$93.7 million in February, \$38.6 million in April and \$9.7 million in June.

If the latest request is approved the company's customers will pay about \$246 million less to heat their homes, or an annual reduction of nearly 22 percent.

In a statement accompanying the company's announcement of its latest pass-through filing, Questar Gas chief executive Alan Allred noted that natural gas prices spiked to record levels last year following the hurricanes that struck the nation's Gulf Coast and knocked out nearly 20 percent of the country's production.

"With most of that supply now restored, prices have fallen," he said. "Last winter's mild weather also led to lower consumption, helping the natural gas industry rebuild inventories" that also helped the wholesale price of gas go down.

Earlier this week, Questar Corp. announced it will shut down production from some of its wells in the Rocky Mountains because of lower natural gas prices. The company indicated those closures would reduce the company's output by about 1 billion cubic feet in October, or approximately 32 million cubic feet a day.

Stephen Bloch of the Southern Utah Wilderness Alliance said Questar's decision may be a move to try to increase the price of natural gas by reducing supply.

Earlier this year Questar sent a letter to its customers blaming the high prices on "misguided environmental opposition" that it contended resulted in large amounts of natural gas being placed off limits to development, Bloch said.

"Now they're out shutting in their production," he said.

But Questar Corp. spokesman Martin Craven said the company's decision to shut in some of its wells will only remove from the market "about three hours of production" from the Rocky Mountains.

"It won't significantly reduce the amount of natural gas that's available," he said.